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CBO Confirms: GOP Budget Dismantles Medicare, Dramatically Increases Costs for Seniors

WASHINGTON, DC – Results from a new Congressional Budget Office (CBO) analysis released yesterday confirm that the House Republican budget would dismantle the Medicare program and wreak havoc on the health and retirement security of America's seniors and future retirees. The Republican budget destroys Medicare for everyone under age 55, ending Medicare's historic entitlement to benefits and converting the program into a defined contribution that would offer individuals an under-funded voucher to purchase coverage in a new undefined marketplace where there is no guarantee that insurance companies will even participate.

The end result is a dramatic increase in the financial burden of health costs, with future retirees paying up to nearly three times as much for their health care than they would if current law continued.

According to the non-partisan CBO: "A typical beneficiary would spend more for health care under the proposal than under CBO's long-term scenarios for several reasons. First, private plans would cost more than traditional Medicare because of the net effect of differences in payment rates for providers, administrative costs, and utilization of health care services...Second, the government's contribution would grow more slowly than health care costs, leaving more for beneficiaries to pay." (p.23)

The Republican budget would…

A copy of the CBO analysis can be found here: http://www.cbo.gov/ftpdocs/121xx/doc12128/0 4-05-Ryan_Letter.pdf